

ASSEMBLY BILL

No. 2

Introduced by Assembly Members Spitzer and Bermudez

August 7, 2006

An act to add Chapter 3.21 (commencing with Section 15819.35) and Chapter 3.22 (commencing with Section 15819.39) to Part 10b of Division 3 of Title 2 of the Government Code, to repeal Section 2.5 of Chapter 1416 of the Statutes of 1987, and to amend Item 5225-001-0001 of Chapter 47 of the Statutes of 2006, relating to prisons, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2, as introduced, Spitzer. Correctional facilities: revenue bonds.

Existing law permits the funding for the construction of various prisons through lease-purchase financing arrangements.

This bill would authorize the renovation or construction of additional housing units, related support buildings or facilities, and necessary security enhancements at existing prison facilities. The bill would also authorize the acquisition of land for, design, construction, or renovation of, buildings and related facilities at existing prisons for the purposes of providing rehabilitative programming to inmates, for the purposes of providing space for prison support or administrative functions, or for the purposes of providing health care services to inmates. The bill would authorize the State Public Works Board to issue revenue bonds to finance those projects.

The bill would authorize the Department of Corrections and Rehabilitation to house male inmates at the former Northern California Women's Facility.

The Budget Act of 2006 appropriates money to the Department of Corrections and Rehabilitation for support of the department for the current fiscal year.

This bill would authorize the Director of Finance to augment that appropriation for the purpose of providing the necessary support for the construction of additional inmate program and bed capacity, as specified.

This bill would appropriate \$234,237,000 from the General Fund to the Department of Corrections and Rehabilitation for capital outlay to renovate, improve, or expand infrastructure capacity at existing prison facilities, and would appropriate \$4,024,000 from the General Fund to the department for capital outlay at 2 prisons that house women to perform the necessary construction to convert portions of those facilities to house male inmates.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Department of Corrections and Rehabilitation is authorized to renovate or construct and establish additional housing units, related support buildings or facilities, and construct necessary security enhancements for these projects, at existing prison facilities.

SEC. 2. Chapter 3.21 (commencing with Section 15819.35) is added to Part 10b of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 3.21. FINANCING FOR EXPANSION OF EXISTING
PRISON FACILITIES

15819.35. The Department of Corrections and Rehabilitation may acquire land for, design, construct, or renovate, prison housing units, prison support buildings, and other related buildings or structures, as authorized in Section 1 of the act enacting this section. The scope and costs of these projects shall be subject to approval and administrative oversight by the State

Public Works Board, including augmentations, pursuant to Sections 13332.11 or 13332.19.

15819.36. For all projects approved for financing by the board pursuant to Section 15819.35, the board may borrow funds for project costs, including acquisition, studies, preliminary plans and working drawings, construction and construction related costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313. Project funds expended prior to project approval by the board shall not be reimbursable from the proceeds of the bonds.

15819.37. (a) The board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to this part, to finance the acquisition, design, or construction, and the costs of interim financing, of prison construction or renovation projects authorized in Section 15819.35. Authorized costs for acquisition, design, construction, and construction related costs, for all projects approved for financing by the board pursuant to Section 15819.35, shall not exceed one billion nine hundred seventy six million dollars (\$1,976,000,000).

(b) Notwithstanding Section 13340, funds derived from interim financing, revenue bonds, negotiable notes, or negotiable bond anticipation notes issued pursuant to this chapter are hereby continuously appropriated to the board on behalf of the Department of Corrections and Rehabilitation for the purposes specified in Section 15819.35.

(c) For the purposes of this section, “construction related costs” may include mitigation costs of local government and school districts and may be made available pursuant to subdivisions (c) and (d) of Section 7005.5 of the Penal Code.

15819.38. Notwithstanding Section 15819.37, the amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the following:

(a) The cost of acquisition, design, construction or construction management and supervision, and other costs related to the design and construction of the facilities, including augmentations.

(b) Sums necessary to pay interim financing.

(c) In addition to the amount authorized by Section 15819.37, any additional amount as may be authorized by the board, including, but not limited to, the costs of financing. The costs of

1 financing include, but are not limited to, interest during
2 construction of the project, a reasonably required reserve fund,
3 and the cost of issuance of permanent financing.

4 SEC. 3. Chapter 3.22 (commencing with Section 15819.39) is
5 added to Part 10b of Division 3 of Title 2 of the Government
6 Code, to read:

7
8 CHAPTER 3.22. FINANCING FOR CONSTRUCTION OF PRISON
9 SUPPORT BUILDINGS

10
11 15819.39. The Department of Corrections and Rehabilitation
12 may acquire land for, design, construct, or renovate, buildings
13 and related facilities at existing prisons for the purposes of
14 providing rehabilitative programming to inmates, for the
15 purposes of providing space for prison support or administrative
16 functions, or for the purposes of providing health care services to
17 inmates. The scope and costs of these projects shall be subject to
18 approval and administrative oversight by the State Public Works
19 Board, including augmentations, pursuant to Sections 13332.11
20 or 13332.19.

21 15819.40. For all projects approved for financing by the
22 board pursuant to Section 15819.39, the board may borrow funds
23 for project costs, including acquisition, studies, preliminary plans
24 and working drawings, construction and construction related
25 costs from the Pooled Money Investment Account pursuant to
26 Sections 16312 and 16313. Project funds expended prior to
27 project approval by the board shall not be reimbursable from the
28 proceeds of the bonds.

29 15819.41. (a) The board may issue revenue bonds,
30 negotiable notes, or negotiable bond anticipation notes pursuant
31 to this part, to finance the acquisition, design, or construction,
32 and the costs of interim financing, of prison construction or
33 renovation projects authorized in Section 15819.39. Authorized
34 costs for acquisition, design, construction, and construction
35 related costs, for all projects approved for financing by the board
36 pursuant to Section 15819.39, shall not exceed five hundred
37 million dollars (\$500,000,000).

38 (b) Notwithstanding Section 13340, funds derived from
39 interim financing, revenue bonds, negotiable notes, or negotiable
40 bond anticipation notes issued pursuant to this chapter are hereby

continuously appropriated to the board on behalf of the Department of Corrections and Rehabilitation for the purposes specified in Section 15819.39.

15819.42. Notwithstanding Section 15819.41, the amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the following:

(a) The cost of acquisition, design, construction or construction management and supervision, and other costs related to the design and construction of the facilities, including augmentations.

(b) Sums necessary to pay interim financing.

(c) In addition to the amount authorized by Section 15819.41, any additional amount as may be authorized by the board, including, but not limited to, the costs of financing. The costs of financing include, but are not limited to, interest during construction of the project, a reasonably required reserve fund, and the cost of issuance of permanent financing.

SEC. 4. Section 2.5 of Chapter 1416 of the Statutes of 1987 is repealed.

~~SEC. 2.5. Notwithstanding Section 1 of Chapter 1549 of the Statutes of 1982, as amended by Chapter 165 of the Statutes of 1987 or any other provision of law, the Department of Corrections is authorized to house more than 400, but no more than 800, women at Northern California Women's Facility located on the grounds of the Northern California Youth Center in San Joaquin County. This action is necessary to alleviate severe overcrowding at the California Institution for Women in Frontera.~~

SEC. 5. Item 5225-001-0001 of Section 2.00 of Chapter 47 of the Statutes of 2006 is amended to read:

5225-001-0001—For support of the Department of Corrections and Rehabilitation.....	6,323,617,000
Schedule:	
(1) 10-Corrections and Rehabilitation Administration.....	247,061,000
(2) 15-Corrections Standards Authority.....	6,612,000
(3) 20-Juvenile Operations.....	194,105,000
(4) 21-Juvenile Education, Vocations and Offender Programs.....	134,190,000

1	(5) 22-Juvenile Paroles.....	36,758,000
2	(6) 23-Juvenile Health care.....	78,487,000
3	(7) 25-Adult Corrections and Rehabili-	
4	tation Operations.....	4,735,721,000
5	(8) 30-Parole Operations-Adult.....	669,058,000
6	(9) 35-Board of Parole Hearings.....	97,931,000
7	(10) 40-Community Partnerships.....	7,726,000
8	(11) 45-Education, Vocations and Offend-	
9	er Programs-Adult.....	273,496,000
10	(13) Reimbursements.....	-84,696,000
11	(14) Amount payable from the Corrections	
12	Training Fund (Item 5225-001-	
13	0170).....	-2,671,000
14	(15) Amount payable from the Federal	
15	Trust Fund (Item 5225-001-0890).....	-6,516,000
16	(16) Amount payable from the Inmate	
17	Welfare Fund (Item 5225-001-	
18	0917).....	-63,645,000
19	Provisions:	
20	3. Any funds recovered as a result of audits of locally	
21	operated return-to-custody centers shall revert to the	
22	General Fund.	
23	4. When contracting with counties for vacant jail beds	
24	for any inmate under the jurisdiction of the Secretary	
25	of the Department of Corrections and Rehabilitation,	
26	the department shall not reimburse counties more	
27	than the average amount it costs the state to provide	
28	the same services in comparable state institutions.	
29	This restriction shall not apply to any existing con-	
30	tract, but shall apply to the extension or renewal of	
31	that contract. In addition, the total operational cost of	
32	incarcerating state inmates in leased county jail beds	
33	(which includes state costs, but is exclusive of one-	
34	time and capital outlay costs) shall not exceed the de-	
35	partment's average cost for operating comparable in-	
36	stitutions.	
37	5. Notwithstanding any other provision of law, but sub-	
38	ject to providing 30 days' prior notification to the	
39	Joint Legislative Budget Committee, funds appropri-	
40	ated in Schedule (7) or (8), or both, may be trans-	

ferred to Item 5225-101-0001, Schedule (7), upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jail.

8. Not later than 60 days following enactment of this act, and subsequently on February 10 and upon release of the May Revision, the Secretary of the Department of Corrections and Rehabilitation shall submit to the Director of Finance the Post Assignment Schedule for each adult institution, reconciled to budgeted authority and consistent with approved programs, along with allotments consistent with the reconciled Post Assignment Schedule for each adult institution.
11. Not later than February 17, 2007, the Secretary of the Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the state budget and to the Legislative Analyst's Office an operating budget for each of the correctional facilities under the control of the department. Specifically, the report shall include: (a) yearend expenditures by program for each institution in the 2005–06 fiscal year, (b) allotments and projected expenditures by program for each institution in the 2006–07 fiscal year, (c) the number of authorized and vacant positions, estimated overtime budget, estimated benefits budget, and operating expense and equipment budget for each institution, and (d) a list of all capital outlay projects occurring or projected to occur during the 2006–07 fiscal year.
14. Of the funds appropriated in Schedule (1), \$1,000,000 shall be available for expenditure on a comprehensive study of the Department of Corrections and Rehabilitation's existing information technology resources and workload no sooner than 30 days after approval by the Chairperson of the Joint Legislative Budget Committee of a plan to conduct such a study.

- 1 15. Of the funds appropriated in this item, \$55,969,000
2 is provided for the purpose of funding a 3.1-percent
3 price increase for the Department of Corrections and
4 Rehabilitation. Of that amount, the department shall
5 provide a 3.1-percent increase on the variable costs
6 and personal services amounts for public community
7 correctional facilities.
- 8 16. The Department of Corrections and Rehabilitation
9 shall report to the Joint Legislative Budget Commit-
10 tee on September 1, 2006, and March 1, 2007, regard-
11 ing its efforts to reduce the hiring time for entry level
12 peace officer classifications from point of application
13 to point of eligibility, as well as meet the increasing
14 demands for the institutions statewide. The depart-
15 ment shall provide information on its progress in re-
16 ducing the overall selection process from 12 to 18
17 months to 6 months, and on its progress in providing
18 approximately 3,600 correctional officers in the
19 2006–07 fiscal year through the Basic Correctional
20 Officer Academy.
- 21 17. No later than September 1, 2006, the Secretary of the
22 Department of Corrections and Rehabilitation shall
23 submit to the chairpersons and vice chairperson of
24 the committees in both houses of the Legislature that
25 consider the state budget and to the Legislative Ana-
26 lyst’s Office an implementation and evaluation plan
27 for funding provided as part of Recidivism Reduc-
28 tion Strategies. For each program component of Re-
29 cidivism Reduction Strategies, the department shall
30 detail its projected timeline for program implementa-
31 tion, including, but not limited to, purchasing equip-
32 ment and supplies, hiring staff, securing contracts,
33 beginning participation by inmates and parolees, and
34 reaching full operating capacity. For each program
35 component of Recidivism Reduction Strategies, the
36 plan shall also identify the specific measures by
37 which the department plans to evaluate these pro-
38 grams, the baseline measurements for these pro-
39 grams, as well as identify projected implementation
40 targets and targeted projected outcomes for Septem-

ber 2006, March 2007, and annually for five years that the department expects to achieve for each of these measures.

18. Of the funds appropriated in this item, \$900,000 shall be used to contract with correctional program experts to complete comprehensive evaluations of all adult prison and parole programs designed to reduce recidivism, including education, rehabilitation and treatment, and parole programs, for both male and female inmates and parolees. This evaluation shall include an inventory of existing programs, including program capacity, as well as an assessment of whether each of these programs is likely to have a significant impact on recidivism for those participants. This evaluation shall also include an estimate of the number of inmates or parolees not currently participating in these programs who would be likely to benefit from participation. The Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the state budget and to the Legislative Analyst's Office a report detailing the findings of the evaluation by June 30, 2007.
22. Of the funds appropriated in this item, \$281,626,000 is available for expenditure only for the purposes identified below. Any unexpended funds shall revert to the General Fund.
 - (a) Basic Correctional Officer Academy Expansion: \$54,503,000
 - (b) Farrell v. Hickman, Healthcare Remedial Plan: \$7,530,000
 - (c) Farrell v. Hickman, Ward Safety and Welfare Remedial Plan: \$42,934,000
 - (d) Electronic In-Home Detention Restoration: \$1,202,000
 - (e) Medical Guarding and Transportation: \$30,958,000
 - (f) Records Staffing and Automation: \$7,759,000

- 1 (g) Electromechanical Security Door Operating and
- 2 Locking System: \$3,000,000
- 3 (h) Equipment Replacement: \$400,000
- 4 (i) Private Community Correctional Facility Security Enhancements: \$453,000
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- 6 (j) Recidivism Reduction Strategies: \$52,761,000
- 7 (k) Global Positioning System Monitoring Expansion: \$5,134,000
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- 9 (l) Critical Special Repair Projects and Assessments: \$11,000,000
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- 11 (m) Gang Management: \$200,000
- 12 (n) Restoration of Parole Hearings Appeals Unit: \$640,000
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- 14 (o) Rutherford v. Schwarzenegger, Life Prisoner Parole Hearing Staffing: \$6,646,000
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- 16 (p) Protective Vests: \$4,079,000
- 17 (q) Enterprise Information Services Corrective Action Plan: \$2,249,000
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- 19 (r) Madrid v. Woodford, Compliance: \$5,168,000
- 20 (s) Garrison Johnson v. California, Racial Integration: \$4,829,000
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- 22 (t) Victims and Witness Assistance at Parole Revocation Hearings: \$1,430,000
- 23
- 24 (u) Farrell v. Hickman, Mental Health Remedial Plan Resources: \$14,778,000
- 25
- 26 (v) Farrell v. Hickman, Consent Decree: \$1,327,000
- 27 (w) Space Needs Related to Farrell v. Hickman: \$12,469,000
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- 29 (x) Substance Abuse Treatment Funding: \$835,000
- 30 (y) Coleman v. Schwarzenegger, Court Order Compliance: \$2,325,000
- 31
- 32 (z) Comprehensive Health Care Recruitment Staff: \$3,928,000
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- 34 (aa) Coleman v. Schwarzenegger, Psychiatrists Pay Enhancement: \$3,089,000
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- 36 23. Within the 2006–07 fiscal year, the Division of Juvenile Justice shall implement Behavior Treatment Programs in at least seven living units, enhanced Core Treatment Programs in at least 12 living units, and at least one reentry living unit. In order to demonstrate
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measurable outcomes, the Division of Juvenile Justice shall focus the implementation of Core Treatment Programs at one individual facility in the first fiscal year. No later than September 15, 2006, and March 15, 2007, the Division of Juvenile Justice shall report to the Joint Legislative Budget Committee on specific performance measures by which the Department of Corrections and Rehabilitation plans to evaluate these programs, the baseline measurements for these programs, as well as projected implementation targets and projected outcomes for March 2007, and September 2007, related to the implementation of the Farrell remedial plans. Performance measures should include both process and outcome measures consistent with a critical path for project implementation.

24. Funds appropriated to accommodate projected adult institutional and parolee population levels in excess of those that actually materialize, if any, shall revert to the General Fund.

25. *Notwithstanding any other provision of law, the Director of Finance may augment this item to provide additional resources from the General fund for the department to provide the necessary support for the construction of additional inmate program and bed capacity authorized pursuant to legislation enacted in the 2005-06 Second Extraordinary Session. Any augmentation shall be based upon written justification provided by the secretary of the department. No allocation shall be made to the department pursuant to this provision unless the Director of Finance notifies, in writing, the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house, at least 15 days prior to making the allocation, or prior to whatever time the Chairperson of the Joint Legislative Budget Committee may determine, of the intent to make that allocation.*

1 SEC. 6. Notwithstanding any other provision of law, the
2 Department of Corrections and Rehabilitation is authorized to
3 house male inmates at the former Northern California Women's
4 Facility in Stockton.

5 SEC. 7. The sum of two hundred thirty-four million two
6 hundred thirty seven thousand dollars (\$234,237,000) is hereby
7 appropriated from the General Fund to the Department of
8 Corrections and Rehabilitation for capital outlay to renovate,
9 improve or expand infrastructure capacity at existing prison
10 facilities. The funds appropriated by this section may be used for
11 land acquisition, environmental services, architectural
12 programming, engineering assessments, schematic design,
13 preliminary plans, working drawings, and construction.

14 SEC. 8. The sum of four million twenty four thousand dollars
15 (\$4,024,000) is hereby appropriated from the General Fund to the
16 Department of Corrections and Rehabilitation for capital outlay
17 at the California Rehabilitation Center and the Valley State
18 Prison for Women in order to perform the necessary construction
19 to convert portions of those facilities to housing for male
20 inmates. The funds appropriated by this section may be used for
21 land acquisition, environmental services, architectural
22 programming, engineering assessments, schematic design,
23 preliminary plans, working drawings, and construction.

24 SEC. 9. This act is an urgency statute necessary for the
25 immediate preservation of the public peace, health, or safety
26 within the meaning of Article IV of the Constitution and shall go
27 into immediate effect. The facts constituting the necessity are:

28 As of June, 2006, the prison inmate population totaled nearly
29 172,000. More than 16,000 inmates are being housed in buildings
30 that were not designed as housing units, and all capacity in these
31 nontraditional spaces will be exhausted by June, 2007. In order to
32 provide prison capacity beyond 2007, and to construct housing
33 units and related program space to replace nontraditional
34 housing, it is necessary that this act take effect immediately.

O